

NSC BRIEFING

20 May 1959

BACKGROUND: ARGENTINA

- I. Argentine President Frondizi faces critical pressure for at least the next three months, because of joint Communist and extreme Peronista strikes, mainly against the US-backed stabilization program begun on 1 January.
- A. Despite Frondizi's intensified crack-down on such agitation, beginning with the state of siege declared on 11 November, this combination subsequently attempted three general strikes and threatens other action.
- B. While each strike effort has won less general support, the combination controls most industrial unions, and sabotage and violence has accompanied the strikes.
- C. Labor discontent may increase with the rise in living costs, expected to be some 60 percent over the 1 January level by 30 June.
- D. On the other hand, Frondizi has probably increased his support among the armed forces by adopting stricter control measures, including the 27 April ban on all Communist activities, and by his recent cabinet reorganization which dropped several officials who favored a conciliatory policy toward the Peronistas.
- E. Discontent within the armed forces, especially the navy, over such conciliation and continued labor defiance recently revived rumors of plotting. The majority, however, apparently prefer to support constitutional government.

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